

**! Kheis**  
Munisipaliteit  
Municipality

# ANNUAL REPORT

## 2011/2012

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ANNUAL PERFORMANCE REPORT

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AUDIT RECOVERY PLAN



# !Kheis

Munisipaliteit  
Municipality

## *ANNUAL PERFORMANCE REPORT*

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## **1. PREAMBLE**

The annual report is an account of the Municipality's achievements in the year under review, and as with any rigorous reporting instrument that wants to enhance the function of the municipality, it does not hesitate to point out the Municipality's shortcomings and needs.

**The purpose of an annual report is as follows to:**

- Provide a record of activities within the municipality during the financial year
- Report on its performance against the budget for the financial year
- Promote accountability to the local community for decisions made throughout the year

**The annual report must include the following appendices;**

- Appendix A: Councillors; Committee Allocation and Council Attendance
- Appendix B: Committee and Committee Purpose
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## 2. CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 2.1 Mayor's Foreword



Cllr. W. Maritz

The Annual Report are prescribed by Section 46 of the Municipal Systems Act (No: 32 of 2000) and Sections 121 and 127 (2) of the Municipal Finance Management Act (No: 56 of 2003). The above legislation compels the Municipality to prepare an Annual Report for each financial year and it is the responsibility of the Mayor to table such a report in Council within seven months after the end of the financial year.

Significant progress has been made during the 2011/2012 financial year in intensifying the municipality's effort to improve the quality of life of the residents within the !Kheis Municipal boundaries. !Kheis Municipality hereby present the Annual Report for the financial year 2011/2012 to the people of South Africa, the Northern Cape and particularly the community of !Kheis, united in their diversity.

We owe this timeous reporting to the invaluable contributions and guidance of all state departments, SALGA and the Office of the Auditor General. Our IDP and Budget process were premised on community-based and ward-based planning processes. We are committed to ensure genuine participatory democracy in the governance of our Municipality.

Subsequent to the adoption of the national Local Government Turnaround Strategy (LGTAS), we also convened a consultative session with sector departments, to give a blessing to our own Municipal Turnaround Strategy. Thus this report demonstrates our commitment to ensure that residents in our communities regain their dignity as enshrined in the Constitution.

Thank you to the acting Municipal Manager and her team for their dedication and hard work. I know that the year under review had not been easy, but your commitment and hard work is bearing fruit. Therefore, the council wants to express their sincere appreciation.

To my colleagues and fellow leaders in this institution: Your support and positive contributions in making Local Government work are of the essence. Without you supporting me, we would never have achieved this much.

Remember our slogan: Service delivery begins with me. Working together we will build better Communities.

.....  
**Cllr. WA Maritz**  
**Mayor !Kheis Municipality**

## 2.2 Acting Municipal Manager Foreword



!Kheis Municipality's Annual Report for the 2011/2012 financial year gives one an in-depth picture of the work that was undertaken in the year under review. This report is published in terms of the Local Government: Municipal Finance Management Act (No: 56 of 2003) this act places high standards and requirements when it comes to accounting on the use of public funds.

!Kheis Municipality has had a productive 2011/2012 financial year, exceeding many expectation. During this financial year I have been extremely impressed with the commitment showed by most of our staff members.

!Kheis Municipality strives to achieve service excellence in all areas of its work. This report will give readers a substantial insight into all our operation. Our Council and administration are in better shape and are collectively responding to the pressing challenge of providing effective and efficient services to the inhabitants of our Municipality.

The municipality's financial position and performance are pleasing and our central theme has been to improved relations between the council, its administration and the communities through meaningful engagement to engender a sense of pride. Attempts to reduce debt and encouraging payment for services, still remains a big challenge.

All conditional grants from National Treasury and other departments were spent within the specified time frames, and as a result no funds were returned back to National Treasury.

We have taken the opportunity in this Annual Report to reflect on what we have achieved and what remains to be done. One thing is clear – as we move into the next financial year, the challenges will be even bigger. !Kheis Municipality is committed to the Batho-Pele Principles, and is therefore orientated to improve service delivery, with the community as the target.

We have also made a concerted effort to meet all the deadlines and milestones set by Province, this includes the IDP review, the compilation of the annual financial statements, as well as the Annual Report, which we hope will not only be aesthetically pleasing but also serve as a rich source of information about the municipality and !Kheis at large.

The Office of the Municipal Manager would like to extend its sincere gratitude to the Honorable Mayor and Council for the unwavering support during the financial year. I extend a word of thanks to Head of Departments and staff for their commitment and tireless efforts aimed at improving the lives of our community members.

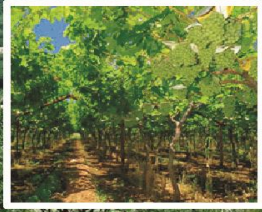
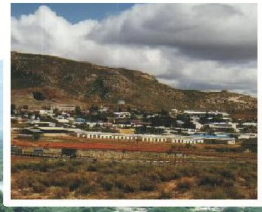

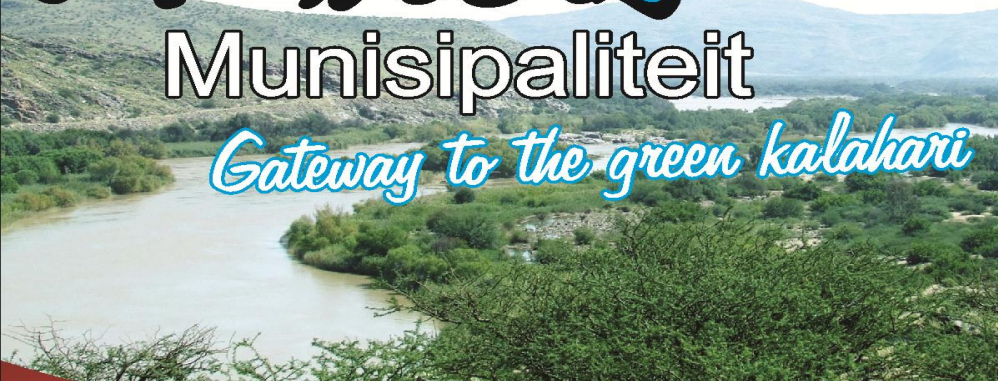
.....  
**Miss HT Scheepers**  
**Acting Municipal Manager**



# **!Kheis**

## Munisipaliteit

*Gateway to the green kalahari*



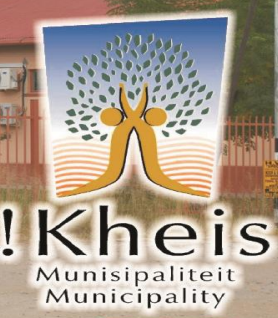

**Mission**  
*To promote economic development to the advantage of the communities within the boundaries of the !Kheis Municipality this will be done by the establishment and maintenance of an effective administration and a safe environment in order to attract tourists and investors to the area.*

**Vision**  
*The development of an institution, focussing on transparent, loyal and effective service delivery to the residence of the !Kheis Municipal Area.*

**Our Goals and objectives**

- For every household to have access to: clean water, electricity and sanitation.
- To treat our people's needs with compassion and with one motive, having only their best interest at heart.
- For local government to be an effective instrument of change without our communities
- To be a local authority that is accountable and community driven when addressing poverty and service delivery.

*Service delivery begins with us...*



**!Kheis**  
Munisipaliteit  
Municipality

**Wilfred Maritz**  
Burgemeester

**Teresa Scheepers**  
Munisipale Bestuurder

**Davy Jacobs**  
Koöperatiewe Bestuurder

**Jacobus Blom**  
CFO

**!KHEIS MUNISIPALITEIT - PRIVAATSAK X2**  
**GROBLERSHOOP, 8850**  
**TEL: 054 833 9500 - FAKS: 054 833 9509**

## Development Objectives and shaping our Vision

Whilst the previous phase of !Kheis Municipality focused on the present (*status quo*) situation, the strategy phase focuses on the future through the setting of objectives, and how to get there by making use of developmental strategies.

Therefore, the outputs of this phase, is the development of a vision for the municipality, as well as objectives and strategies linked to each of the previously mentioned issues.

In order to develop the outputs during this phase, issues as identified and analyzed during the previous phase are now being looked upon more thoroughly. Objectives and strategies are amended in order to comply with the “SMART” tool, **TO BE** Specific, Measurable, Achievable, Realistic, and Timeous, to be directly linked to an identified issue / priority need and lastly to be reflective of the whole municipal area.

### Core business of the municipality

The core business of !Kheis Municipality is to provide and facilitate the provision of social and economic services to the people of !Kheis in an efficient and effective manner.

### Core values of the municipality

The Municipality is committed to deliver services within the framework of *Batho Pele* principles, as outlined below:

- *Courtesy and ‘People First’*  
Residents should be treated with courtesy and consideration at all times.
- *Consultation*  
Residents should be consulted about service levels and quality, when possible.
- *Service excellence*  
Residents must be made aware of what to expect in terms of level and quality of service.
- *Access*  
Residents should have equal access to the services to which they are entitled.
- *Information*  
Residents must receive full and accurate information about their services.
- *Openness and transparency*  
Residents should be informed about government departments, operations, budgets and management structures.
- *Redress*  
Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.
- *Value for money*  
Public services should be provided economically and efficiently.



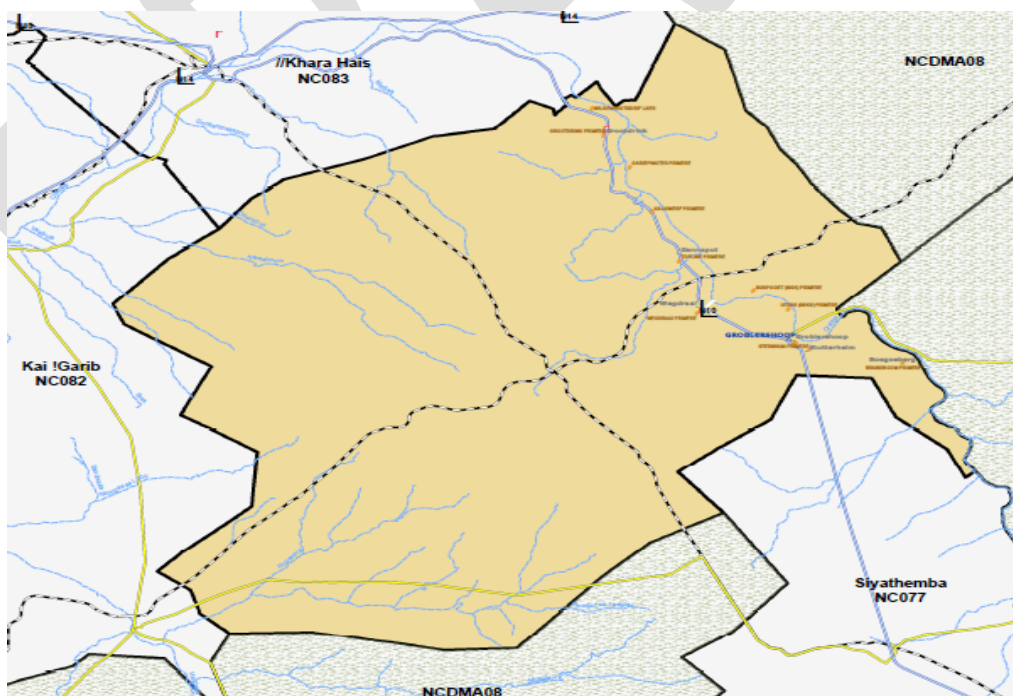
## Background

The !Kheis Municipal Area was initially inhabited by the **Khoi-San** people, whom also had been the first permanent inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. The **Korannas** (Khoi group) arrived in the area during the 18<sup>th</sup> century. They were widely spread over the “Benede Oranje” area and consisted of various tribes, each with its own captain (leader). The groups who lived in the !Kheis area, was under leadership of Captain Willem Bostander and Klaas Springbok. Many of their descendants still live in the area today. Other Khoi-groups, such as the Griekwas, also migrated through the area and intermarried with the Korannas. Later Coloured stock farmers, as well as white hunters and farmers arrived.

The Korannas tenaciously protected their territory against English invaders, when the English wanted to shift the Colonial Northern Border up to the Orange River. After several Northern Border wars, the Korannas power was broken and several Koranna leaders i.e. **Dawid Diederiks**, **Jan Kivedo** (Cupido), **Karel Ruyter** (Ruiters), **Piet Rooi**, **Klaas Lukas**, **Jan Malgas**, **Thomas Pofadder**, were caught between 1870 and 1879 by the English and held captive as political prisoners on **Robben Island**. (The very first people sent to **Robben Island** as political prisoners, were Khoi people). In 1883 Piet Rooi died as a prisoner on **Robben Island**.

The actions of the English against the Korannas left them without leaders, which largely led to the fall of the Koranna people. The fact that the Municipality was given the name **!Kheis** is indeed an acknowledgment to the native people who first migrated to this area.

## Geographical profile

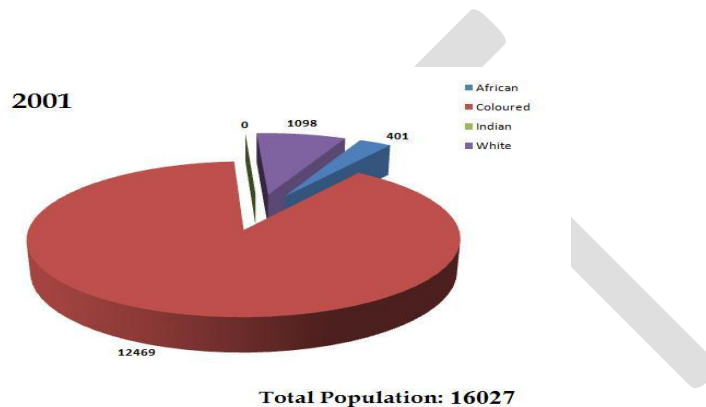


!Kheis covers an area of approximately 7 225 squares kilometers. All the towns in the !Kheis Municipality area are situated next to the N10.

The area is drained by several ground levels and non-perennial rivers. These are mainly dry streams which are transformed into strong streams during very wet years. From there the water flows to the Orange River. Few hills / mountains also appear, i.e. Asbestos Mountains. The area is part of the Nama-Karoo Biome.

The natural vegetation is characterized by Karoo plants, which adapted well to the environment, e.g. “Kokerboom”, “Witgat” and Camel thorn tree. Furthermore berg-field appears in the Asbestos Mountains with sand-field in between, especially where the Camel thorn and “Swarthaak” is the dominant tree species.

## Demographic Profile



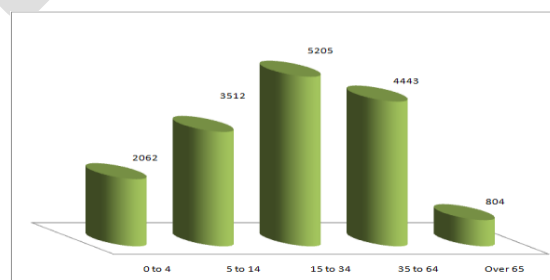
!Kheis Municipality had a total population of approximately 16 027 according to the community survey by census of 2001. !Kheis local Municipality is divided into 4 wards, and surrounding farms.

*Please note that the following tables also indicate the latest changes between Census 1996 and Census 2001 statistics while still waiting on the information of the 2011 stats.*

## Gender Distribution

Females generally represent just over 51% of the population in most of the indicated areas. The figure illustrates those 49% household in !Kheis area are female headed. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women. The gender figure also assist the government to provide appropriate facilities and social investments in line with gender demographics.

The graphic above illustrate the different languages spoken in the !Kheis area. A total number of 15 630 of the inhabitants of the !Kheis area are predominantly Afrikaans speaking.



Age Groups

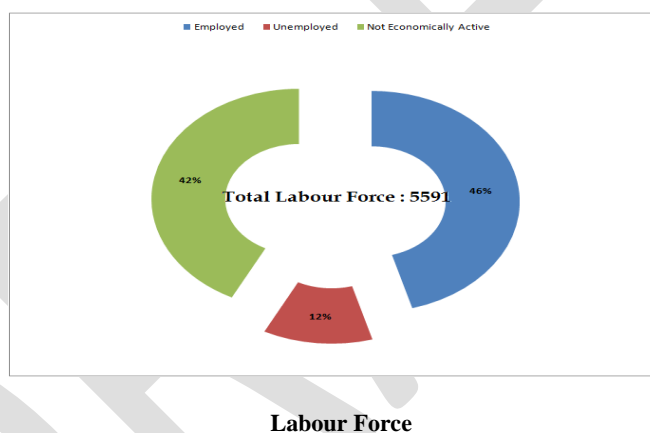
The age groups are especially important, since it could be determining for the planning of services which needs to receive priority attention at each town. For instance, the need for medical and social services would be higher in a town where the percentage of senior citizens is higher than the rest of the population. !Kheis is predominantly populated by youth under the age of 35. Of the 16 027 inhabitants, 35% are still financially dependent, that is between the ages 1 and 14 years. 65% are potentially economically active, that is between the age of 15 and 65 years. The huge number of this age group call for a need for creation of employment opportunities to cater for their needs.

## Racial Distribution

According to the 2007 community survey censuses, the population in the !Kheis area was 673 Black African, 13 784 Coloured, 1 494 White and 6 Indian.

## Employment Status

The economically active population (people aged 18 and above that are able and willing to work) of the !Kheis area is estimated at 46%, which resulting in an official unemployment rate of 54% which is of great concern.



A total of 5 591 people are estimated to be engage in formal sector. According to the above graphic, 54% of the total labour force is unemployed. This directly impacts payments of Municipal services.

## Industry

The agricultural sector is still the main economic sector. The commercial farmers, farm especially with sheep for meat production, while the emerging farmers concentrate on sheep and goat farming. Provincial Government and Landbank are involved by capacitate the emerging farmers in sustainable farming and bookkeeping.

Livestock is marketed at Groblershoop, Upington, Johannesburg, Cape Town and internationally. Cotton, corn, wheat, tomatoes, peanuts, musk melons and pumpkins are cultivated under irrigation from the Orange River.

An abattoir is available at Groblershoop, where all livestock from the area, as well as other areas, are slaughtered. ±180 permanent jobs are created through the abattoir.

In the irrigation sector, our focus area is mainly placed on the cultivation of table grapes. There are also two wine cellars in the area, Grootdrink and Groblershoop. High quality table wine is produced at these wine cellars, as well as quality grape juice. The products of these wine cellars have already received several national and international awards. Several permanent jobs are created through these wine cellars.

Lucerne mills at Boegoeberg also provide work to local people. The expansion of the production of Lucerne in the broader !Kheis area is in a planning process.

## **Tourism Sector**

This sector has not yet reached its full potential. !Kheis Municipality have certain plans in place to stimulate the sector. Currently the Boegoeberg Dam is the most popular tourism attraction in the area. Additional tourism spots will be look at and discuss broadly.

### *Boegoeberg Dam*

Under the previous Local Government, this tourism attraction was managed by the Bo-Karoo District Council. The process to place the facility under the jurisdiction of !Kheis Municipality has been finalised. The facility is especially popular for fishing, camping and water sport enthusiasts. A variety of birds and animals also occur.

### *Cultural tourism*

!Kheis Municipal Area witnesses several native groups, stretching out across the area. Groups like the San, Korannas, Griekwas, Coloureds, Whites and Xhosas, migrated across the area and settled within the area, at one or other time in the past. These groups each have their own culture. The opportunity exists to utilise these cultural treasures in order to draw tourists to the area.

### *Accommodation*

Accommodation and overnight facilities exists in the area. The accommodation sector is one sector where previously disadvantaged individuals (PDI) could get involved in, not only as labourers, but also as product owners.

### *Attractions*

- Boegoeberg Dam
- Eselkloupan
- Wine Cellar tours
- Water Turbine at Winestead farm
- Bushmen drawings
- Witsand
- Mine dump – estate

## **Financial Services**

Banking services are available in Groblershoop.

First National Bank	- Branch
Absa Bank	- Satellite
Standard Bank	- Satellite
Capitec Bank	- Satellite

## **Airports**

The nearest airport is at Upington,  $\pm$  120km from Groblershoop.

## **Information offices**

!Kheis Municipal Area is serviced by the tourism office at Upington. It is, however, part of !Kheis tourism strategy to establish its own Tourism Office at Groblershoop.

## **Socio Analysis**

### **Health**

!Kheis Municipality has health facilities available in:

- Groblershoop
- Wegdraai
- Topline (Mobile)
- Grootdrink
- Boegoeberg
- Gariep (Mobile once a week)
- Opwag (Mobile once a week)

Each clinic has access to one sister and a nurse, but no services are available when the sister isn't on duty. The nearest hospital is 120km from Groblershoop. No emergency services are available after hours or over weekends. Only one ambulance with four drivers is available for emergencies in the whole area. The ambulance drivers work every day. Sometimes, while the ambulance is on its way to Upington, emergencies or deaths occur, since no service are available and because patients have to wait very long for the ambulance or due to very long distance to the nearest hospital.

The clinic at Groblershoop is  $\pm$ 7km from the Community it must serve. Sick people struggle to walk 7km to the clinic. The service hours of the clinics should be increased to 24 hours per day, but a shortage in staff makes this impossible.

The sister at Wegdraai works 2 days per week at Wegdraai, 2 days at Topline and 1 day on the farms in the area. If she isn't available, the clinics are closed. If the sister takes leave, no services are available. Medical doctor visits happened on a ad-hoc base, once a month, and only for two hours. We intend to appoint a permanent doctor for the !Kheis area.

### **Social Services**

These services were provided by an NGO, Child and Family Care. Two Social Workers is currently not sufficient for the large area which needs to be serviced.

*General social problems include:*

- Statutory work with Juvenile offenders
- Marriage problems
- Counseling of molested children
- Parental guidance groups for foster parents
- Family violence – Vulnerable Groups (women, children and old age) abuse
- Removal of children
- Therapy, e.g. Spelling therapy
- Counseling

The Communities are far from each other and without proper transport and a vehicle; proper social services can thus not be rendered.

### **Sport and Recreation**

Limited sport recreation programmes exist in the !Kheis Municipal area. We have only an sport stadium, The Samuel Gouws Sport Stadium in Groblershoop and a sport ground in Topline exist in the !Kheis area. Other towns and settlements has no facilities and needs to be developed.

### **Library Services**

Library services within a community are crucial, because it nurture young minds to help them to read and write. It is also a source of knowledge where the whole community benefits to acquire information on various subjects.

In Groblershoop we have renovated a brand new library within town. This library gave access to people who want to use the internet. Our assistant librarian gave support to pupils to complete their assignments. Funds for the library are received from the Department of Sports, Arts and Culture.

We have mobile libraries in the following towns:

- Grootdrink,
- Topline and
- Boegoeberg.

### **Cemeteries**

!Kheis Municipality has a lack of sufficient cemeteries to cater for the increasing mortality rate. We have received funds from Department of Environmental Affairs for the upgrading of all cemeteries.



### 3. CHAPTER 2: GOVERNANCE

#### Legislative Mandate of !Kheis Municipality: Our Core Mandates

The Municipality draws its mandate from policy and legislative pronouncements within the following:

- Constitution Act, 108/96
- Municipal Systems Act, 32/2000
- Municipal Structures Act, 117/1998
- MFMA 56/2003
- Demarcation Act, 5/2000
- White Paper: LG 9 March 1998

#### Component A: Government structure

##### 1. Political Government Structure

###### *Council*

!Kheis municipality has 7 councilors which consist of 4 ward councilors and 3 PR councilors. The legislative and executive authority of the municipality resides in council which were headed by the Mayor and 6 councillors. The council consist of the following members:



*Mayor: WA Maritz*



*Cllr. A Diergaardt (ANC)*



*Cllr. S Esau (ANC)*



*Cllr. P Vries (ANC)*



*Cllr. JPI Joseph (DA)*



*Cllr. E Cloete (Cope)*



*Cllr. K Esau (Cope)*

Refer to **Appendix A** for a full list of Councillors (including committee allocations and attendance at council meetings) including resolutions taken and executed.

Refer to **Appendix B** where committees and committee purposes are set out.

## 2. Administration Government Structure

### *Administration*

The administrative component of the municipality is headed by the Municipal Manager as the accounting officer and head of Administration. The top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality. To ensure sound administration, management are mainly responsible for the following:

- Providing good governance for its communities in terms of representation of the public's interests- including consideration of people well-being and the interests of the municipality;
- Developing and evaluating policies and programmes for the municipality;
- Developing by-laws for the municipality;
- Ensuring that administrative policies, systems and procedures are in place to implement the decisions of the Council;
- Providing services, facilities, and other services that the municipality considers necessary or desirable for all members of its community;
- Ensuring accountability and transparency of the operations of the municipality, including the activities of senior management of the municipality;
- Fostering the current and future economic, social and environmental well being of its communities.

The position of the Municipal Manager is vacant and Ms HT Scheepers had been appointed as acting Municipal Manager. Administration consists of the following Departments, namely:

- Office of the Municipal Manager
- Corporate Services,
- Finance and
- Technical Services



*Management of !Kheis Municipality*

## Departmental Construction

!Kheis Municipality is a small municipality which are manage by the Acting Municipal Manager, Chief Financial Officer, Acting Corporate Manager and the Head Technical Services. Due to the number of limited municipal staff, the municipality only operates with the following departments namely: Finance, Water, Public Works, Corporate Services, Technical Services and Council.

## Office of the Municipal Manager

### Acting Municipal Manager



Miss H.T. Scheepers

#### Divisions

- Administration
- Local Economic Development
- Integrated Development Plan and
- Internal Audit

The Municipal Manager is responsible for the overall management and administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- that the resources of the entity are used effectively, efficiently, economically and transparently;
- that full and proper records of the financial affairs of the entity are kept;
- that the entity has and maintains effective, efficient and transparent systems -
  - ❖ of financial and risk management and internal control; and
  - ❖ of internal audit complying with and operating in accordance with any prescribed norms and standards;
  - ❖ that irregular and fruitless and wasteful expenditure and other losses are prevented;
  - ❖ that expenditure is in accordance with the operational policies of the entity; and
  - ❖ that disciplinary or, when appropriate, criminal proceedings, are instituted against any official of the entity who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

Her key roles include strategic direction, overall management of and accountability for risk. Other functions include marketing the municipality.

### Objectives

- To have policies and strategies developed, which would serve as an agreement between the municipality and the targeted groups
- To provide strategic leadership to the Institution
- To act as a link between the political and the administrative arms of the municipality
- To create a conducive working environment for all the employees of the municipality
- To uphold the Batho-Pele principles
- To protect and safeguard municipal assets
- To ensure adherence for all policies of the municipality
- To ensure that all the statutes of government are respected and obeyed
- To ensure continuous interaction with the community
- To provide a platform for the 3 spheres to operate in

## FINANCE DEPARTMENT

### Chief Financial Officer



*Mr. J. Blom*

#### Divisions

- Income
- Expenditure
- Budget and Treasury

The Chief Financial Officer is responsible for the financial management of the Municipality. This department consists of, but is not limited to the following:

- Annual budgets and financial statements;
- Investments and cash flow management;
- Administration of general ledgers and funds;
- Asset Management, including insurance of assets;
- Administration of income and expenditure;
- Administration of all finance related policies;
- Payroll administration

#### Objectives

- To ensure a fully capacitated organizational structure to address powers and functions, roles and responsibilities.
- Initiate priority skills acquisition in line with JIPSA
- To accommodate customer care functioning within office space requirements
- To ensure that !Kheis Municipality remains financially viable through:
  - ❖ Ensuring that all properties are on the valuation roll and receiving Municipal services
  - ❖ and are properly recorder on the billing database
  - ❖ Tariffs are modeled on cost recovery
  - ❖ Reduced outstanding debts
  - ❖ Improving debt collection rate in line with National norms
  - ❖ Reduced debt turnaround period in line with National norms
  - ❖ Enhanced revenue base
- To enhance financial management practices within !Kheis to sustain the institution as a going concern
- Ensure 100% receipt of funds registered in the DoRA
- Address all matters associated with audit report
- Present Annual Financial Statements to Auditor – General in compliance with section 126 of MFMA
- Strengthen oversight function and performance of SDBIP

## **CORPORATE SERVICE DEPARTMENT**

### **Acting Manager: Corporate Services**



*Mr. D. Jacobs*

#### **Divisions**

- Human Resources
- Administration
- Library Services
- Public Participation
- MTAS

The Corporate Service Manager is responsible for the Administration and the Human Resources of the Municipality. The main aim of the Corporate Service Manager is to assist the Municipal Manager in the management and development of a highly skilled and motivated staff, and in the development of dynamic organisational systems and structures. This office provides professional and integrated human resources service to the Council including training and development, employment policy, conditions of service, grading and remuneration and employee performance management structures of the HR department.

This office also provides a cost effective management and organisational development service including the analysis and improvement of current operating systems. It also plays a leading role in assisting with planning and implementation of new structures as well as strategies in order to improve productivity and efficiency.

The main aim of this department is to provide a comprehensive management service and organisational change service to the Municipality.

This will be measured by:

- projects delivered according to agreed upon terms of reference;
- measures, policies and procedures;
- customer service improvement

#### **Objectives**

- To provide support and administrative services
- To provide training and development for Councilors and employees;
- To develop Human Resources and Administrative Policies for the proper functioning of the Municipality
- To ensure recruitment and selection of appropriately qualified personnel
- To promote Socio-Economic development
- To promote a safe and healthy environment
- To encourage the involvement of community organizations in the matters of our municipality
- To ensure the provision of Service to our Communities in a sustainable manner
- Record keeping



## TECHNICAL SERVICE DEPARTMENT

### Head: Technical Services



*Mr. H. Visagie*

#### Divisions

- Water
- Sanitation
- Public Works
- Housing

The Head of Technical is mainly responsible to manage the technical department of the Municipality. The main aim of this department is to provide:

- solid waste collection and disposal service.
- sufficient accommodation and housing to all indigents
- clean drinking water and
- sufficient sanitation and sewerage systems to all residents

It is the responsibility of this office to ensure that all solid waste generated in the Municipality is stored, collected, transported and disposed of in an efficient, effective and environmentally-acceptable manner and in accordance with sound business principles.

The Technical Department ensures that business plans are timeously drawn up for the delivery of housing needs. The delivery of houses and the formulation of appropriate housing policy and strategy need to be strengthened.

They strive continuously to ensure the provision of clean drinkable water that is tested regularly. We achieved an acceptable score of 53.43% during the Blue Drop rating. We are still struggling to provide each and every household with a waterborne loo system. Oxidation ponds had been constructed in Topline and we will commence with construction of ponds in Wegdraai and Grootdrink.

This section provides the following services: but are not limited to the following

- Maintenance of water networks
- Maintenance and cleaning of roads
- Upgrading of pavements
- Monitoring the quality of the water (Blue drop).
- Monitoring the quality of the sanitation (Green drop).

#### Objectives

- To ensure that all areas have access to water supply and infrastructure upgraded by 2014
- All access roads to be upgraded by 2014
- All areas are to be serviced with toilets and infrastructure upgraded by 2014
- Provision of housing services to reduce the housing backlog
- Cleaning and Maintaining of Public areas
- Improved storm water maintenance.
- Re gravelling of existing gravel roads

## **Component B: Intergovernmental Relations**

### **1. National Intergovernmental Structures**

Intergovernmental relations are a set of multiple formal and informal processes, channels, structures and institutional agreements for bilateral and multi lateral interaction between all spheres of government. It therefore implies that each sphere of government has its own set of function and responsibilities but must interact with the other spheres to ensure effective and efficient implementation of policies and programs.

*The principles of Intergovernmental relations are:*

- Effective Resource use
- Nation Building
- Transparency and Good Governance
- Equity and Redistribution
- Development
- Responsibility
- Loan financing
- Accountability
- Macro Economical Management

Mayor and Municipal Manager to attend meetings and seminars on a National level like the EPWP seminars

### **2. Provincial Intergovernmental Structure**

A municipality has the power to operate autonomous; however there should be interrelated and interdependent processes between national, provincial and local spheres of government, in order to ensure sound financial management and to ensure that sustainable services are delivered to communities.

*We had the following projects with different provincial departments:*

- Public Works – EPWP – Upgrading of Municipal Buildings
- Office of the Premier – PULA NALA – Purchase of a sanitation truck to excel service delivery

### **3. Relationships with Municipal Entities**

From Khara Hais we receive support regarding Disciplinary Hearings and the development of institutional affairs.

### **4. District Intergovernmental Structures**

The Siyanda district municipality, as a category C municipality must assist !Kheis municipality (or category B municipalities) within its district to deliver services that the local municipality cannot deliver due to budget or capacity restrictions.

*We are receiving the following support from the district:*

1. IT
2. Audit Unit
3. Housing
4. Cemeteries
5. Disaster Management
6. Health Service

## **Component C: Public Accountability and Participation**

### **1. Public Meeting**

<b>Functionality of Ward Committee</b>					
<b>Ward</b>	<b>Total Members</b>	<b>Committee Established (Yes/No)</b>	<b>Meetings Held</b>	<b>Training Conducted</b>	<b>Ward Councilor</b>
Ward 1	12	Yes	3	2	Andries Diergardt
Ward 2	10	Yes	3	2	Samuel Esau
Ward 3	11	Yes	3	2	Paul Vries
Ward 4	9	Yes	3	2	Wilfred Maritz

### **2. IDP Participation and Alignment**

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	1



## Component D: Corporate Governance

### *Risk Management*

Risk assessment had been performed although there is no risk unit this function had been performed in co-operation of National treasury and the District municipality.

### *Anti Corruption and Fraud*

This plan had been developed and was adopted by council. The following strategies had been put in place:

- Our audit committee is in place but unfortunately it had not been fully functional for the year under review.

### *By – laws*

By Laws Introduced during 2011/12					
Newly Developed	Revised	Public Participation	Dates of Public Participation	By - Laws	Date of Publication

### *Websites*

Municipal Website: Content of currency material		
Documents published on Municipal Website	<yes/no>	Published date
Annual and Adjustment budget	Yes	
Budget related policies	Yes	
SBDIP	Yes	
Previous year annual report	Yes	
Section 71 reports	Yes	
Quarterly Report	Yes	
Tenders	Yes	
IDP	Yes	
Oversight Reports	Yes	
Policies	Yes	
Vacancies	Yes	

## **4. CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

### **Key Performance Areas of the Municipality**

This chapter identifies the critical elements within the five Key Performance Areas (KPA), the SPM has set for itself, to link it to the Directorate mainly responsible for the specific KPA. It should be recognised that it is a corporate function and responsibility lies with the Corporate Centre and the Executive Management Team. It also attaches the proposed strategic objectives within each KPA with targets - including and linked to national and provincial objectives and targets. The section therefore articulates the 5-year focus and priority emphasis in each one of the KPA's.

The following are the KPAs and a brief description thereof, which the municipality aimed at, for the purposes of improved service delivery:

- KPA 1: Basic and Sustainable Service Delivery
- KPA 2: Municipal Institutional Development & Transformation
- KPA 3: Local Economic Development
- KPA 4: Municipal Financial Viability and Management
- KPA 5: Good Governance & Public Participation

### **Basic and Sustainable Delivery**

- To provide 60% of households with basic electricity by 2012, 75% by 2013 and 92% by 2014.
- To provide 100% of households with a metered water connection by 2014, 75% by 2012, 90% by 2013.
- To provide 100% of households with basic sanitation by 2014, 75% by 2012, 90% by 2013.
- To provide 100% of households with a weekly solid waste removal service by 2014, 80% by 2012, 90% by 2013.
- To ensure that 150 km of internal streets and access roads are tarred by 2014
- To reduce water losses to 60% by 2012
- To have a 5-year Integrated Infrastructure and Assets Maintenance and Operations Plan in place by June 2013 – Sect 63 MFMA
- To effectively and efficiently manage, operate and maintain SPM's Infrastructure and Resources by 2014.
- To ensure that all informal settlement areas are upgraded in accordance with the Human Settlement and Redevelopment Programme by 2014.
- To ensure that residents live within 1 km from a cluster of public amenities by 2014.
- To provide shelter for all by 2014 based on current demographic projections.

### **Municipal Institutional Development and Transformation**

- To ensure that Management at all levels is 100% representative and in line with the Employment Equity Plan by November 2013
- To ensure that the Job Evaluation System is 100% implemented by 2013 financial year
- To ensure 100% implementation of the Skills Development Plan by June 2013
- To ensure enhanced service delivery with efficient institutional arrangements by 2013.
- To ensure the development and implementation of an Integrated Information Management System by 2013.

- To ensure that efficient business processes and management systems is 100% in place and functional by 2013.
- To ensure that the micro organisational restructuring is 100% complete by June 2012

### **Economic Development Programme (LED)**

- To ensure local economic growth of 4% by 2014
- To half the present rate of unemployment by 2014
- To ensure that the Municipality procure 60% of its procurement budget to BEE and SMME Enterprises by 2014
- To reduce the number of households living in poverty by 3% per annum

### **Municipal Finance Viability and Management**

- 100% unqualified audit opinions by 2014
- To improved revenue collection rate on billings to 90%
- To improved debt management – current debtors of more than 50% of own revenue
- To improved expenditure management
  - ❖ Operational - less than 4% over spending
  - ❖ Capital – 0% under spending by 2014
  - ❖ Spending on O&M – 55% by 2012, 75% by 2013 and 90% by 2014

### **Good Governance and Public Participation**

- To ensure democratic and accountable governance by 2014 to ensuring a qualified Audit Report
- To establish structured public participation process for the different levels of planning and development processes of the Municipality by June 2012
- To ensure that all wards have formally elected and functional ward committees by July 2012.
- To ensure that a comprehensive communication system is in place by July 2012
- To ensure 90% satisfaction of residents and Councillors with frontline, face-to-face, telephonic and over-the-counter service of the Municipality by 2013

### **Free Basic Services Component**

The municipality is expected to provide water, sanitation, electricity, refuse removal and other basic services to indigent households.

The characteristics of the basic services component are:

- Supporting only poor households earning less than R2 260.00 p/month.
- Distinguishing between poor households provided with services and those provided with lesser or no services
- Recognising water reticulation, sanitation, refuse removal and electricity reticulation as the core services.
- Providing for environmental health care service to all households, not only poor ones.

On 30 June 2011, !Kheis had 815 registered indigent households. The municipality provides the following free basic services to these indigents:

Water	: The first 6kl (R3.03) of water is free Basic Levy R43.16
Sewerage	: R59. 18 rebate per month on sewerage fees
Refuse Removal	: R82.09 rebate per month on refuse removal
Electricity	: 50 kwh of electricity is free

The total subsidy provided for the 2010/11 financial year amounted to R 2 016 825

### **Basic Service Delivery Performance Highlights**

!Kheis Municipality is progressively working to improve the level and delivery of infrastructural services and provide relevant and cost-effective services to residents and businesses. Citizens value the services the Municipality provides, and they want to continue seeing these services delivered in a responsible and efficient manner.

!Kheis Municipality is a grant dependant municipality and most of its capital projects are funded through the Municipal Infrastructure Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DoRA) and through own funding.

The following Capital project unfolded in the 2011/12 financial year:

- Construction of Oxidation Ponds in Wegdraai
- Construction of Oxidation Ponds in Grootdrink
- Construction of Oxidation Ponds in Topline
- Development of Sport facilities for Gariep

The following EPWP project unfolded in the 2011/12 financial year:

The following Pula Nala project unfolded in the 2011/12 financial year:

The following DWAF project unfolded in the 2011/12 financial year:

### **Water Services**

Water is a very precious and scarce resource. The efficient and sustainable use of water is therefore important for the municipality to reach its social, economic and environmental objectives. All communities are economical disadvantaged areas with high rates of unemployment. The objective of water service projects is to supply clean consumable water to the communities and to create a number of permanent and temporary employments.

## **Sanitation Services**

Waste management is one of !Kheis Municipality core functions and it focus on sanitation, refuse removal and the management of landfill sites to boost the level of environmental health and safety. Refuse removal services are successfully delivered to the community of !Kheis. A sewerage network will be establish for the !Kheis Municipal area. The municipality has manage to register the landfill sites. These sites will receive urgent attention during the 2011/2012 year, in regard of recycling and construction of a main site with transfer station.

## **Road Maintenance**

It is the responsibility of the !Kheis Municipality to construct and maintain all access and internal roads within the !Kheis Municipal jurisdiction. Road maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, road signs, road marking and foot paths. The main role player is the Technical Services Department.

The budget available is limited or non existed or reserved to maintain roads that have been constructed or rehabilitated using MIG funding. There is a lack of resources needed to perform the road maintenance function effectively.

## **Housing and Town Planning**

800 plots were demarcated for informal settlements in the !Kheis Municipal area through our own funding. The plots per area was divided as follows:

➤ Boegoeberg	: 81
➤ Sternham	: 299
➤ Wegdraai	: 116
➤ Topline	: 135
➤ Grootdrink	: 131
➤ Groblershoop	: 38.

However the migration of farm dwellers to the urban areas is huge, therefore more plots need to be developed.

!Kheis Municipality are in a process to build 10 low cost houses in Grootdrink area and 10 in Topline. This project is funded by COGTHA.

## **Local Economic Development**

!Kheis Municipality does have economic development potential, when a local economic development strategy are developed that identifies agriculture and tourism as growth opportunities. One of the most important realizations that have been activated in the municipality is to create and enable and environment for businesses to operate.

What we have to note is that the local small businesses are benefitting from the municipality's procurement processes. This in itself by buying local enhances opportunities for SMME and BBEEE. What is very important is that all our projects are planned with our communities with the aim of promoting community ownership and management.

## Poverty Alleviation

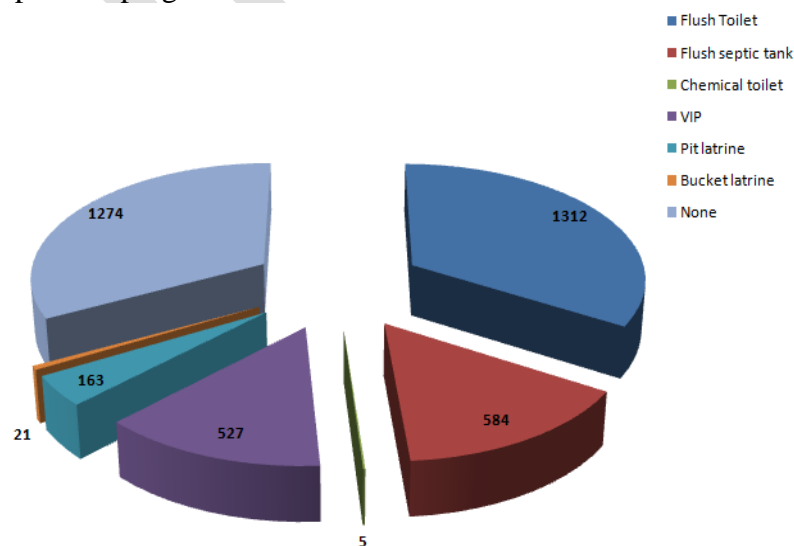
7% of the households within the !Kheis Municipality are indigent. These households earn below the minimum income level of R 2 400 per month. Poverty alleviation is therefore an important part of the activities of the municipality. The following projects have poverty alleviation as its aim:

- Vegetable Gardens
- Disaster Relief Programs
- Soup Kitchens
- Old Age Centurms

The Opwag vegetable Garden is an ongoing project which is funded by Social Welfare. The beneficiaries of the Opwag vegetable Garden are 47 HIV/AIDS and TB Patients. Nuwe Hoop Bejaarde Sentrum, Wegdraai Old Age and Sopkombuis Opwag. They donate vegetables to the Age in Action group of Groblershoop.

## Backlogs

- Lack of a well organized and effective systems and implemented policies and plans to manage and serve the whole municipal Area.
- Lack of proper and sufficient water provision in some of the areas
- Lack of proper and sufficient accommodation / housing
- Lack of good quality roads infrastructure, including storm water systems as well as efficient transport system
- Lack of proper and sufficient sanitation and sewerage systems to all residents
- Low levels of skilled people as well as high levels of poverty and unemployment
- Lack of quality health and emergency services and facilities
- Lack of sufficient cemeteries to cater for the increasing mortality rate
- Proper planning and development of Opwag
- Lack of sport and recreation facilities in some of the areas
- Lack of sufficient and effective telecommunication systems
- Lack of electricity provision to some residential areas
- Lack of proper dumping sites



## 5. CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational Performance Management is the process through which performance objectives for the Municipality are translated into the Service Delivery and Budget Implementation Plan (SDBIP). !Kheis Municipality had no Performance Management System in place. Directorates' performance is monitored in Component 3 of the SDBIP.

The development of a Performance Management System with assistance of the District municipality will receive high priority in the 2011/2012 financial year.

### Component A: Introduction to the municipal workforce

#### 1. Human Resource and other Organizational Management

The organizational structure of the municipality consists of a workers corps of 92. The number of permanent employees is 92 and 13 vacancies. See attached the organogram of !Kheis Municipality.

#### Number of staff per function

Summary of personnel number per function	Audited Actual
Administration	35
Water	19
Public Works	21
Sanitation	17
<b>Total Personnel Numbers</b>	<b>92</b>

### Component B: Managing the municipal workforce levels

Summary of municipal workforce levels	Audited Actual
Municipal Manager	1
Section 57 & 56	2
Senior Management	3
Middle management	6
Other staff (Clerical, labourers, etc.)	80
<b>Total Personnel Number</b>	<b>92</b>

## Component C: Capacitating the municipal workforce

<b>!Kheis Municipality Capacitating the municipal workforce</b>	<b>Audited Actual</b>
Municipal Manager	<b>1</b>
Section 57 & 56	<b>2</b>
Senior Management	<b>3</b>
Middle management	<b>6</b>
Other staff (Clerical, labourers, etc.)	<b>80</b>
<b>Total Personnel Number</b>	<b>92</b>

## Component D: Managing the municipal workforce expenditure

### 1. Disclosure on Employee's, Councilor's and Senior Management Benefits

The national norm on salary expenditure is **35%**. !Kheis Municipality's salary expenditure are **35.5%** which are in line with this norm.

#### Employees

<b>Description</b>	<b>Amount</b>
Salaries & Wages	4 732 243
Contributions for UIF, pensions and medical aids	770 739
Travel, motor car, acc, subsistence and other allowances	481 285
Housing benefits and allowances	7 842
Overtime payments	20 927
Performance and other bonuses	371 666
Other employee related costs	156 091
<b>Total Employee Related Costs</b>	<b>6 540 793</b>

#### Councilors

<b>Description</b>	<b>Amount</b>
Mayor	573 543
Councilors	1 172 235
<b>Total Councilor's remuneration</b>	<b>1 745 778</b>

#### Senior Management

<b>Description</b>	<b>Municipal Manager</b>	<b>Chief Financial Officer</b>
Annual Remuneration	301 113	270 942
Travel, motor car, accommodation, subsistence	103 596	102 300
Contributions for UIF, pensions and medical aids	49 300	1 296
<b>Total</b>	<b>454 009</b>	<b>374 538</b>



## **6. CHAPTER 5: FINANCIAL PERFORMANCE**

### **1. Annual Financial Statements and Related Financial Information**

The annual financial statements have been compiled within the prescribed period and are attached hereto as Annexure A. The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

**Component A: Statement of Financial Performance** – *Waiting on final financial statement*

**Component B: Spending against Capital Budget** - *Waiting on final financial statement*

**Component C: Cash flow Management and Investments** - *Waiting on final financial statement*

**Component D: Other Financial Matters** - *Waiting on final financial statement*

## **7. CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS**

### **1. Audit Report on Financial Statements.**

Audit activities by the Auditor-General commenced. !Kheis Municipality received a Qualification of opinion. Please find attached audit report.

### **2. Audit Recovery Plan.**

The Audit Recovery Plan addresses the audit queries and put forward a plan to work towards a clean Audit Report by the year 2012, addressing the shortcomings of the municipality and to enhance the work done by officials. Please find attached detailed audit recovery plan.

## **8. CONCLUSION**

In the year ahead (2012/13), the Municipality will:

- Develop an integrated comprehensive approach and review of structures and programmes on special sectors.
- Establish partnerships with neighbouring municipalities and develop a support programme.
- Integrate the work of Community Development Workers into municipal programmes and activities.
- Review the Communications Strategy to ensure greater co-ordination and responsiveness.
- Develop and implement a comprehensive strategy and programme to enhance the functionality of the Ward Committee system.
- Finalise the customer care model, system, structures and corporate complaints management processes in line with Batho-Pele.
- Strengthen risk management.
- Implement an action plan to deal with issues raised in the Auditor-General's Report and provide quarterly progress reports.
- Develop and implement a comprehensive capacity building programme for Councillors.